

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
HIGH OCCUPANCY TOLL OPERATIONS ACCOUNT
STATE FISCAL YEAR 2016, QUARTER ENDED SEPTEMBER 30, 2015

		JULY THROUGH	
	NOTES	SEPT	YEAR-TO-DATE
REVENUES			
Tolling revenue	1	\$ 392,698	\$ 392,698
Transponder sales	2	12,033	12,033
Toll vendor contractual damages	3	3,001	3,001
Interest income		3,384	3,384
Miscellaneous	4	917	917
TOTAL REVENUES		412,033	412,033
EXPENDITURES			
Goods and Services			
Toll CSC operations vendor contract	5	59,960	59,960
Toll lane vendor contract		22,785	22,785
Credit card and bank fees		8,126	8,126
Transponder cost of goods sold	6	8,780	8,780
Washington state patrol	7	-	-
Other	8	8,205	8,205
Total Goods and Services		107,856	107,856
Personal service contracts	9	20,623	20,623
Salaries and benefits		35,317	35,317
Infrastructure maintenance	10	33,826	33,826
TOTAL EXPENDITURES		197,622	197,622
EXCESS OF REVENUES OVER EXPENDITURES		214,411	214,411
NET CHANGE IN FUND BALANCE		214,411	214,411
FUND BALANCE - BEGINNING		2,851,646	2,851,646
FUND BALANCE - ENDING		\$ 3,066,057	\$ 3,066,057

The notes to the financial statements are an integral part of this statement.

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Tolling Subsidiary Accounting System – Repeat independent audits of service organization controls (SOC) have determined that the tolling subsidiary accounting system for WSDOT, which is managed by a contracted service organization, contains weaknesses in internal controls. The most recent audit showed that some of the deficiencies identified in previous audits have been remediated, resulting in improved internal controls. The Toll Division continues to work with our service organization to remediate the remaining deficiencies. WSDOT is committed to the highest standard of transactional and financial accountability for the citizens of Washington State.

Detailed Notes

1. **Tolling Revenue** – Revenue earned from single occupancy vehicles traveling in the High Occupancy Vehicle (HOV) Lanes on SR167 with a *Good To Go!* transponder account. A variable fee, based on traffic volumes, is automatically charged to their account.
2. **Transponder Sales** – Sales of transponder devices to potential and existing *Good To Go!* electronic toll account customers.
3. **Toll Vendor Contractual Damages** – Charges to ETCC for not meeting Key Performance Indicators (KPIs), totaling \$4,002.00 and the short-term portion of future amounts due from ETCC, totaling \$12,000.
4. **Miscellaneous Revenue** – This can include revenue for administrative and statement fees, NSF check fees, cash over, and prior period recoveries.
5. **Toll CSC Operations Vendor Contract** – Payment for monthly CSC operations costs.
6. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders.
7. **The Washington State Patrol** – Support for the enforcement of the laws governing the use of the HOT Lanes by issuing citations to HOT Lane violators.
8. **Other Goods and Services** – Expenditures for supplies, communications, rents, repairs, services provided by outside vendors, etc.
9. **Personal Service Contracts** – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting.
10. **Infrastructure Maintenance** – Cost of maintenance activities on the HOT Lanes. The quarterly costs include Goods and Services of \$15,149 and Salaries and Benefits of \$18,677.